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Why American Aid?

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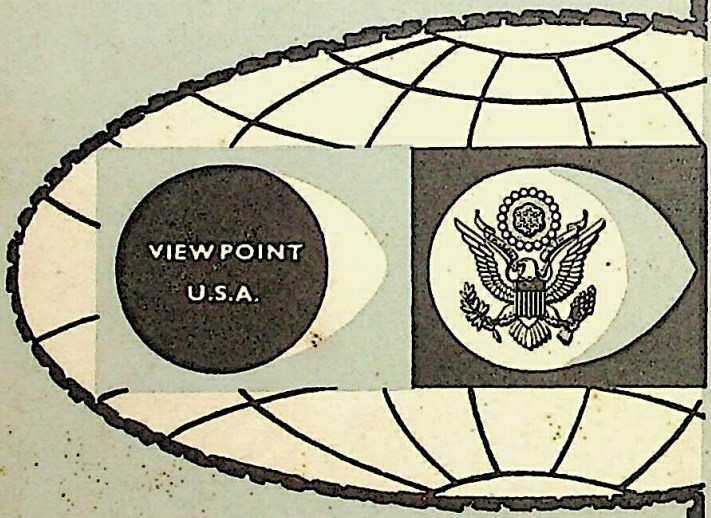

Text of an address by Chester Bowles, United States Ambassador to India, at the Sharavathi Hydroelectric Plant ceremonies on January 24, 1965.

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DEAR FRIEND:

It occurred to me that you might be interested in reading a speech that I delivered recently at the Sharavathi Hydroelectric Plant on the occasion of the dedication of that plant, which was performed by Prime Minister Shastri.

It seems to me important that we all understand the basic reason for the programme of American economic assistance to India. The reason is simple. It is a programme which contributes to the development of the free, independent and more prosperous India. It is a concept of partnership, a concept of meaningful cooperation.

The Sharavathi plant—in fact, the entire Sharavathi project—was designed and constructed by Indian engineers. The American assistance was largely in the form of the necessary foreign exchange and other funds. To me, it is an excellent example of what can be accomplished through Indo-American cooperation.

With my warmest regards,

Sincerely,

Chester Bowles

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Why American Aid?

By Chester Bowles
United States Ambassador to India

In this address Ambassador Bowles tells why the people of the United States have been loaning or giving the people of India assistance to speed India's democratic development plans.

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Viewpoint U.S.A.

Number twenty-three in a continuing series of American policy statements.

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Why American Aid?

THE AMERICAN PEOPLE are proud and pleased to contribute capital and equipment for the building of this great hydroelectric plant. I am also personally grateful for the invitation of your Chief Minister to join with you in this impressive ceremony.

But precisely why should an American Ambassador be taking part in this dedication of an Indian dam, on an Indian river, running entirely through Indian soil, into the Arabian Sea?

I cannot add significantly to the praise which the Indian planners, engineers and workers have earned by their great achievement. Nor can I say anything fresh or new about the momentous contribution the dam will make to the people of Mysore and South India—the thousands of newly lighted villages, the hundreds of new small industrial plants and the scores of larger factories.

But what I *can* do is help answer a basic question on which there is much confusion both

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in your country and my own: Why have the American people, who live on the other side of the world, been loaning or giving India each year Rs. 225 crores in dollars plus an equal sum in wheat, rice and other commodities to speed India's ambitious development plans?

In our annual Congressional and public debates over what we call "foreign economic assistance" a variety of claims are put forward to justify these expenditures to our American taxpayers.

Some advocates, for instance, argue that our contribution to overseas development will win us friends in India and elsewhere in Asia, Africa and Latin America. I sincerely hope that this dam and the other assistance we are giving India will contribute to this end, and I can assure you that there is a deep and genuine spirit of friendship in the United States toward India, her leaders and her people.

Yet if our friendship continues to grow I do not believe it will be the result of the capital loans, wheat and rice which we send each year to India. In this context I am reminded of Mark Twain's remark to a contentious neighbour: "Why is it that you criticize me so? I cannot for the life of me remember ever having loaned you any money."

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Indeed, our own American history should be enough to persuade us that recipient nations are not always grateful for foreign assistance. In the 19th century, for example, the United Kingdom invested literally billions of pounds in the building of American railroads and industry. Yet even today only a minority of Americans are conscious of the massive British contribution to our early economic development.

It would be a mistake for us Americans to have any illusions on this score. We earnestly seek the friendship of India, but we know that your friendship is no more for sale now than was our own in the critical early years of our development.

A second answer to the much discussed question of "Why American aid?" is related to the first: By helping India's economic development it is suggested that we may bring you into closer agreement with America's approach to current international questions.

In my opinion this answer is no more valid than the first. Indeed, some nations which we have assisted seem to go out of their way to criticize various aspects of American foreign policy in order to demonstrate to their own people and the world that United States aid money has not undermined their independence.

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I confess that on more than one occasion in the last ten years here in India this thought has passed through my mind.

We will, of course, continue to seek common ground with India on international questions. But we know that such agreement carries no price tag. So again we shall have to seek an answer elsewhere.

A third response to the question of "Why American aid?" is that our American economic assistance programme is a moral obligation which we, as the richest nation in history, are duty bound to assume. Four years ago President Kennedy emphasized this point in his Inaugural Address:

"To those peoples," he said, "in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period—not because the communists may be doing it, not because we seek their votes, but because it is morally right."

Those of you who have visited my country will testify that America's sense of moral commitment runs deep. A recent dramatic demonstration of it is the Peace Corps, under which some 75,000 dedicated young Americans apply each year for opportunities to work almost

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without pay in the urban slums and rural areas of Asia, Africa and Latin America. Twelve thousand are now abroad; several hundred of them are here in India, with a contingent in Mysore State itself.

Yet the American tradition of overseas service provides only part of the answer to our question.

The rest of the answer grows out of a concept which hundred years ago or even thirty years ago would have been hard for either you or us to understand, but which in our modern era is overriding.

After two world wars, most Americans have come to see that our own security and prosperity cannot be isolated from that of the rest of the globe.

Whether we all like it or not, whether we always agree with each other or not, we are all members of the human race. Consequently, our common future depends on our ability to live together rationally on our increasingly crowded and turbulent planet.

As our world grows smaller, each nation, large or small, has a growing stake in the behaviour of everyone else.

In the postwar years, Stalin's intransigence concerned us all. More recently, when an irresponsible China threatened India with a conflict

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which might have extended throughout Asia, the security of every man, woman and child in America was involved in some degree.

Nor does our mutual interest in a more rational world stop with matters of aggression and military defence.

If we Americans should flounder and fail in our efforts to provide an increasing measure of prosperity, opportunity and dignity for all of our citizens under a free government, the impact would be ultimately felt in every Asian, African and Latin American village.

Similarly, unless the poverty, malnutrition and illiteracy of countries such as India are met and mastered there can be no hope for security and prosperity in the more privileged countries of the world.

Furthermore, because of new technologies the economic interdependence of all nations is rapidly increasing. In today's world the continuing dynamism and growth of the American economy would be impossible without expanding foreign trade. And for India and other developing countries increasing trade with the more highly developed nations is equally essential if an adequate rate of growth is to be achieved and maintained.

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In this sense, every living American—indeed, everyone everywhere who believes in peace and human freedom—has a deep personal stake in the success of the unprecedented development effort which has been undertaken by free India.

The Industrial Revolution which in the 19th century laid the basis for the present prosperity of Western Europe and America involved a heavy cost in human suffering which was vividly described by Charles Dickens.

Under different circumstances and through different methods the Soviet Union under Stalin concentrated Russia's energies and resources on building industrial and military capacity regardless of the consequences to the Russian people.

Today, democratic India seeks what would have been beyond the reach of any developing country not so many years ago: a rapid rate of national economic growth side by side with increasing direct social and material benefits for the individual.

Your success or failure as a nation rests not only on your ability to construct great dams, new factories and more miles of railroad tracks. Equally important is your capacity to build a society which offers a steadily increasing measure of dignity, opportunity and social justice to each individual.

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This calls for higher real incomes and improved living conditions for your urban people, and the right to land ownership and fair crop-prices for your cultivators.

This twin objective requires bold pragmatic national planning, the wise use of all available domestic resources, a keen sensitivity to human suffering and enlightened political and economic leadership.

It also requires a substantial amount of capital and technical assistance from the more privileged nations so that the present generation need not be sacrificed for the sake of its grandchildren.

Not only the amount of foreign assistance which you receive but also its nature and the manner in which it is provided are of crucial significance.

In this regard, we Americans have come to see from hard experience that not all developing nations have the will or the ability to do what India is striving to do, and when these qualities are lacking, the effectiveness of our aid is blunted.

For these reasons, we are concentrating our assistance in those countries which are prepared to use their own resources to pursue realistic development practices and where there is a

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certain degree of mutual respect and understanding.

We consider Sharavathi a prime example of the proper and constructive use of American assistance. It is part of a carefully conceived and well integrated programme for the development of South India. Its planning and engineering were completely Indian.

Sharavathi will promote massive employment; it will encourage rural electrification; and it will permit the establishment of dynamic new industries which will earn foreign exchange to pay for similar projects in the future.

You could have built this great project without American assistance. But with such assistance you were able to build it sooner, and without sacrificing other important projects or unnecessarily suppressing the day-to-day needs of your people.

Thus, the primary purpose of American economic assistance may be summed up in the following terms: To enable competent, socially-conscious nations such as India to respond quickly, constructively and responsibly to the forces which are shaping tomorrow's world.

More specifically, it represents an effort by the American Government and citizens to help new nations which are prepared to help them-

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selves to generate increasing national incomes and to ensure political and social stability.

Only on such a foundation can any nation contribute effectively to our common objective, which is a more peaceful and rational world.

If free India succeeds in reaching her democratic goals, the benefits will be felt in every community in my own country and, indeed, throughout the world. That, in a nutshell, is why I am here today.

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"You could have built this great project without American assistance. But with such assistance you were able to build it sooner, and without sacrificing other important projects or unnecessarily suppressing the day-to-day needs of your people."

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"Every living American . . . has a deep personal stake in the success of the unprecedented development effort which has been undertaken by free India."

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